

M OTION BY SUPERVISOR ZEV YAROSLAVSKY

January 22, 2013

By any standard, Proposition A – the Los Angeles County Safe Neighborhood Parks Propositions of 1992 and 1996 – has been a tremendous success. Hundreds of park, recreation, beach, open space, museum, senior citizen centers, and at-risk youth facilities have been bought, built, renovated and expanded in every area of the county, providing benefits to every resident and every property owner. Almost every project proposed in the measures has been completed, and we are on track to complete the rest, at the projected cost of \$859 million, within the next few years. Additionally, through its keen stewardship of the program, the Regional Park & Open Space District that was created to administer Proposition A has generated \$256 million worth of “Excess Funds” that have also been made available for park and open space purposes.

Each of these measures imposed an assessment for a period of 22 years. The assessment for Proposition A of 1992 will expire after fiscal year 2014-15, and the assessment for Proposition A of 1996 will expire after fiscal year 2018-19. The Regional Park & Open Space District (RPOSD), of which this Board is the Board of Directors, should consider whether and how a new park funding measure might be

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implemented to take the place of Proposition A. In addition, the RPOSD should examine issues that will arise in the next few years in connection with the impending phase-out, and take action where necessary to ensure a smooth transition to whatever may come next.

These issues include the following:

- A. Each of these assessments lasts for 22 years, but each also allows for a slight change in administration after 20 years. On that date, which occurs on July 1, 2013 for the 1992 assessment, the requirement to spend 80% of the assessment for capital outlay is removed. If the Board agrees, this could allow the RPOSD to recoup its full administrative costs, which have in recent years exceeded the 5% of assessment otherwise available to it.
- B. The expiration of the 80% capital outlay requirement will also allow agencies to expend a portion of Excess Funds for Maintenance & Servicing, if the Board agrees.
- C. The measure allows only 80% of “available” excess to be spent every year on “Excess Funds” projects. This provision was placed in the measure to ensure that funds were handled in a fiscally conservative fashion. However, in the waning years of the assessment it becomes a drafting error in which the “last” 20% never gets spent. How can this problem be solved?
- D. Of the \$540 million allocated for projects under the 1992 Proposition, \$535 million has been committed and \$518 million has been paid out. Of the \$319 million allocated for projects under the 1996 Proposition, \$304 million has been committed and \$282.5 million has been paid out. Of the \$256.6 million

made available in “Excess Funds,” almost \$150 million has been allocated but only \$79 million has been paid out. There is also an unspent balance of approximately \$47 million in the Maintenance & Servicing fund. Should a firm deadline be established for the actual expenditure of these funds? What should be done with funds that remain unspent?

- E. Some funds have been allocated to agencies and so technically have been “spent” by the RPOSD; however, the monies have not actually been used to buy or build park or open space projects. Should a firm deadline be established for the actual expenditure of these funds on projects?
- F. It appears likely that all funds will not have been expended before the collection of assessments comes to an end. How does the Department of Parks & Recreation propose to administer the wind-down of Proposition A once Proposition A funding is no longer available?

These and other questions should be resolved as quickly as possible so that we can ensure an orderly and successful phase-out of Propositions A of 1992 and 1996.

I, THEREFORE, MOVE that the Board direct the Regional Park & Open Space District, in consultation the CEO, County Counsel, financial advisors and consultants as necessary, to prepare the following:

1. A report summarizing the projects completed with Proposition A funding to date;
2. An assessment of the need for capital outlay to buy and build park and open space projects during the next 10 and 20 years in Los Angeles County;

3. A legal analysis of potential mechanisms to raise the funds identified in Item 2., above;
4. A report in response to the phase-out issues identified as A. to F. in the preamble to this motion.

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